

FISCAL NOTE
SB 11 - HB 21
FIRST EXTRAORDINARY SESSION

April 13, 1999

SUMMARY OF BILL: Exempts from the sales tax, telephone services sold to, or calls made by, a residential subscriber. Defines a "residential subscriber" as a person who has subscribed to residential telephone service from a local exchange company or other persons living, residing, or visiting such person.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$84,000,000

Decrease Local Govt. Revenues - Exceeds \$31,500,000

Estimate assumes the following:

- Statewide sales of telephone service to residential subscribers totals approximately \$1,400,000,000.
- The total decrease in state revenues is estimated to be approximately \$84,000,000 and is calculated as follows: $[\$1,400,000,000 \times 0.06] = \$84,000,000$.
- The total decrease in local government revenues is estimated to be approximately \$31,000,000 and is calculated as follows: $[\$1,400,000,000 \times 0.0225] = \$31,500,000$.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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